

February 14, 2006

Mr. Mark H. Williams, Director
Office of License Application and Strategy
Office of Repository Development
U. S. Department of Energy
1551 Hillshire Drive
Las Vegas, Nevada 89134-6321

SUBJECT: U.S. NUCLEAR REGULATORY COMMISSION OBSERVATION AUDIT
REPORT OAR-06-03, OBSERVATION AUDIT OF THE U.S. DEPARTMENT OF
ENERGY, OFFICE OF CIVILIAN RADIOACTIVE WASTE MANAGEMENT,
OFFICE OF QUALITY ASSURANCE, AUDIT OQA-USGS-06-03 OF
U.S. GEOLOGICAL SURVEY

Dear Mr. Williams:

Enclosed is the U.S. Nuclear Regulatory Commission Observation Audit Report OAR-06-03 regarding the U.S. Department of Energy (DOE), Office of Quality Assurance, audit OQA-USGS-06-03 conducted on January 9-12, 2006, at the U.S. Geological Survey (USGS) facility in Denver, Colorado. The NRC observers assessed the effectiveness of the audit team and the audit process.

DOE conducted an audit of the USGS quality assurance (QA) program through evaluations of procedures for compliance with program requirements and implementation of those procedures. The audit team identified two conditions adverse to quality and one opportunity for improvement. The audit team concluded that the procedures implementing the USGS quality system were satisfactory and that USGS was effectively implementing its QA program. The observers determined that the audit was performed effectively, and the observers agreed with the audit team's conclusions and findings.

A written response to this letter and the enclosed report is not required. The staff will continue to interface with DOE and follow the actions USGS is taking to address the issues identified during this audit. If you have any questions, please contact Thomas Matula at (301) 415-6700.

Sincerely,

/RA/

Elmo E. Collins, Deputy Director
Licensing and Inspection Directorate
Division of High-Level Waste Repository Safety
Office of Nuclear Material Safety
and Safeguards

Enclosure:

U.S. Nuclear Regulatory Commission
Observation Audit Report OA-06-03,
Observation Audit of the U.S. Department
of Energy, Office of Civilian Radioactive
Waste Management, Office of Quality
Assurance, Audit OQA-USGS-06-03 of
U.S. Geological Survey

cc: See attached list

A written response to this letter and the enclosed report is not required. The staff will continue to interface with DOE and follow the actions USGS is taking to address the issues identified during this audit. If you have any questions, please contact Thomas Matula at (301) 415-6700.

Sincerely,

/RA/

Elmo E. Collins, Deputy Director
Licensing and Inspection Directorate
Division of High-Level Waste Repository Safety
Office of Nuclear Material Safety
and Safeguards

Enclosure:

U.S. Nuclear Regulatory Commission
Observation Audit Report OAR-06-03,
Observation Audit of the U.S. Department
of Energy, Office of Civilian Radioactive
Waste Management, Office of Quality
Assurance, Audit OQA-USGS-06-03 of
U.S. Geological Survey

cc: See attached list

DISTRIBUTION:

| | | | | | |
|------------|-----------|-----------|-----------|-------------|------------|
| HLWRS r/f | ACNW | VMehrhoff | CNWRA | LKokajko | ECollins |
| KMcConnell | JGuttmann | KStablein | ACampbell | MBailey | FBrown |
| LChandler | MYoung | JMoore | MZobler | TCombs | BSpitzberg |
| WMaier | GMorell | SRohrer | DMcIntyre | HLWRS Staff | |

ML060320352

| OFFICE | HLWRS | HLWRS | OGC | HLWRS |
|--------|---------|---------|---------|----------|
| NAME | TMatula | FBrown | JMoore | ECollins |
| DATE | 2/3/06 | 2/03/06 | 2/06/06 | 2/14/06 |

OFFICIAL RECORD COPY

Letter to Mark H. Williams from Elmo E. Collins dated: February 14, 2006
cc:

| | |
|--|---------------------------------------|
| A. Kalt, Churchill County, NV | A. Elzeftawy, Las Vegas Paiute Tribe |
| R. Massey, Churchill/Lander County, NV | J. Treichel, Nuclear Waste Task Force |
| I. Navis, Clark County, NV | W. Briggs, Ross, Dixon & Bell |
| E. von Tiesenhausen, Clark County, NV | R. Murray, DOE/ORD |
| G. McCorkell, Esmeralda County, NV | G. Runkle, DOE/Washington, DC |
| R. Damele, Eureka County, NV | C. Einberg, DOE/Washington, DC |
| L. Marshall, Eureka County, NV | S. Gomberg, DOE/Washington, DC |
| A. Johnson, Eureka County, NV | W. J. Arthur, III , DOE/ORD |
| L. Klusmire, Inyo County, CA | R. Dyer, DOE/ORD |
| M. Yarbrow, Lander County, NV | J. Espinoza, GAO |
| J. Donnell, DOE/ORD | A. Gil, DOE/ORD |
| M. Baughman, Lincoln County, NV | W. Boyle, DOE/ORD |
| L. Mathias, Mineral County, NV | M. Ulshafer, DOE/OCRWM |
| D. Swanson, Nye County, NV | S.A. Wade, DOE/ORD |
| M. Henderson, Cong. J. Gibbon's Office | C. Hanlon, DOE/ORD |
| D. Hammermeister, Nye County, NV | T. Gunter, DOE/ORD |
| M. Simon, White Pine County, NV | A. Benson, DOE/ORD |
| J. Ray, NV Congressional Delegation | N. Hunemuller, DOE/ORD |
| D. Cornwall, NV Congressional Delegation | P. Harrington, OPM&E |
| T. Story, NV Congressional Delegation | M. Mason, BSC |
| R. Herbert, NV Congressional Delegation | S. Cereghino, BSC |
| M. Murphy, Nye County, NV | B. Gattoni, Burns & Roe |
| R. Lambe, NV Congressional Delegation | E. Mueller, BSC |
| K. Kirkeby, NV Congressional Delegation | J. Gervers, Clark County, NV |
| R. Loux, State of NV | D. Beckman, BSC/B&A |
| S. Frishman, State of NV | L. Rasura-Alfano, Lincoln County, NV |
| S. Lynch, State of NV | J. Kennedy, Timbisha Shoshone Tribe |
| P. Guinan, Legislative Counsel Bureau | B. Durham, Timbisha Shoshone Tribe |
| R. Clark, EPA | R. Arnold, Pahrump Paiute Tribe |
| R. Anderson, NEI | J. Birchim, Yomba Shoshone Tribe |

cc: (Continued)

R. McCullum, NEI

S. Kraft, NEI

J. Kessler, EPRI

D. Duncan, USGS

K. Skipper, USGS

W. Booth, Engineering Svcs, LTD

C. Marden, BNFL, Inc.

J. Bacocho, Big Pine Paiute Tribe of the Owens Valley

P. Thompson, Duckwater Shoshone Tribe

T. Kingham, GAO

D. Feehan, GAO

E. Hiruo, Platts Nuclear Publications

G. Hernandez, Las Vegas Paiute Tribe

K. Finrock, NV Congressional Delegation

P. Johnson, Citizen Alert

M. Williams, DOE/ORD

J. Williams, DOE/Washington, DC

A. Robinson, Robinson-Seidler

M. Plaster, City of Las Vegas

D. Wilson, Sen. Reid's Office

L. Lehman, T-REG, Inc.

B.J. Garrick, NWTRB

T. Feigenbaum, BSC

M. Urie, DOE

J. Brandt, Lander County

B. Sagar, CNWRA

R. Holden, NCAI

C. Meyers, Moapa Paiute Indian Tribe

R. Wilder, Fort Independence Indian Tribe

D. Vega, Bishop Paiute Indian Tribe

Egan, Fitzpatrick, Malsch, PLLC

J. Leeds, Las Vegas Indian Center

J. C. Saulque, Benton Paiute Indian Tribe

C. Bradley, Kaibab Band of Southern Paiutes

R. Joseph, Lone Pine Paiute-Shoshone Tribe

L. Tom, Paiute Indian Tribes of Utah

E. Smith, Chemehuevi Indian Tribe

D. Buckner, Ely Shoshone Tribe

V. Guzman, Walker River Paiute

D. Eddy, Jr., Colorado River Indian Tribes

H. Jackson, Public Citizen

J. Wells, Western Shoshone National Council

D. Crawford, Inter-Tribal Council of NV

I. Zabarte, Western Shoshone National Council

S. Devlin

G. Hudlow

D. Irwin, Hunton & Williams

P. Golan, DOE

M. Rice, Lincoln County, NV

G. Hellstrom, DOE

S. Joya, Sen. Ensign's Office

J. Saldarini, BSC